

BEWARE OF VEBA

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- 1) VEBA (Voluntary Employee Benefit Associations) is a fund that pays for the health care benefits of retirees, and passes responsibility and ownership over to the UAW.
- 2) VEBAs were bargained in the US during the last set of UAW contract negotiations in 2007. The Big 3 promised to put in a set amount to cover the cost of retiree health care benefits.
- 3) During this crisis, the Big 3 are implying they cannot afford the necessary cash, and want to replace cash with company stock. Stocks fluctuate and are not a stable source of income.
- 4) The initial underfunding put forward by GM has already been loaned back to that corporation by the UAW at a low interest rate. How is this in the best interest of UAW workers and retirees?
- 5) Canadian health care is at risk because the corporations and governments can apply Free Trade Agreement policies to sabotage universal health care. At the recent February 17th CAW Leadership meeting, Ken Lewenza, newly appointed president, made clear and unmistakable statements indicating a willingness to negotiate a Canadian VEBA with the Big 3. This is an extremely serious and dangerous development.
- 6) In these current rounds of concessionary talks, the Big 3 are banking on workers being fooled again by VEBA.

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